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ABSTRACT

The exit interview, while widely practiced, has been largely ignored as an instrument for organizational change. A review of the literature reveals that eight out of ten firms in the United States use exit interviews to control attrition and identify areas where changes need to be instituted. Persuading an employee to tell the truth about why he or she is leaving can pose many difficulties. These can be minimized, however, if the interviewer (1) prepares carefully for the interview, (2) puts the employee at ease, (3) seeks information, (4) uses tact, (5) is honest, (6) concludes the interview, and (7) completes the exit interview report. Noting that this traditional form of interview is not always effective in securing accurate information, Martin Hilb of Schering-Plough International has developed an alternative approach that includes built-in mechanisms, including "image cards" and a "profile" method of evaluation, that help gain reliable data. The literature clearly indicates that, properly used, the exit interview can indeed be a monitor for necessary organizational change. (FL)

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The Exit Interview as Monitor for Change:
A Review of Literature

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The Exit Interview as Monitor for Change:

A Review of Literature

The exit interview, while widely practiced, has largely been ignored as an important instrument for change. This paper is a review of the literature, identifying the different types of exit interviews, examining the nature and function of the exit interview, offering a guide for interviewers, and examining an alternative procedure for the exit interview. The results of the review suggest that the exit interview can be a viable monitor for change. Recommendations for future research are noted.

Corporate America loses many valuable employees each year due to turnover. One study indicates that large companies may lose up to 50% of their college graduates during the first four or five years of post college employment (Dunnette, Avery and Banas, 1973). The costs incurred by organizations due to turnover are fringe benefits, severance pay, overtime costs, under-utilization of facilities, administrative expenses, training cost, and productivity losses (Jeswald, 1974). Nash and Carroll (1975) estimate that a rank-and-file employee who quits can cost a company at least \$3,000. The costs are significantly greater for managers and professional employees. Carroll and Tosi (1977) observe that if ten percent of a rank-and-file work force of 1,000 workers quits each year, then turnover costs will amount to at least \$3000,000.

This is not to argue that all attrition is harmful. In fact, there is some indication that moderate attrition can actually be positive (Hinrichs, 1971).

The key to effective management is selective control of attrition. To be productive, an organization needs to be able to recognize those employees who are high performers and would be a real loss to the organization in comparison to those marginal employees that the company can afford to lose (Wehrenberg, 1980). It is important to know who is leaving, why, and whether that loss would be a plus or a minus. It is here that the exit interview can be a helpful instrument.

The purpose of this paper is to present a review of the literature, identifying the types of exit interviews, examining the nature and function of the exit interview, offering a guide for interviewers, and indicating a viable alternative procedure for the exit interview. The frame-of-reference assumed is that if properly employed, the voluntary exit interview can serve as a monitor for necessary organizational change.

Types of Exit Interviews

There are two types of exit interviews, the interview when an employee leaves a company voluntarily and the interview when the employee is dismissed. The voluntary exit interview usually occurs in a more open communication climate and may assist in identifying organizational problems. Thus informed, steps can be taken to eliminate them.

The involuntary exit interview presents obvious difficulties. It is usually conducted in a defensive communication climate with an employee who probably believes he or she has been unjustifiably discharged. Still, it is administratively useful and can contribute to employee relations. Moreover, the involuntary exit interview, if properly conducted, can produce excellent results and even provide useful information about employee attitudes. This paper will concentrate on the voluntary exit interview since it is strategically a more viable monitor for change due to its nature and function.

The Nature and Function of the Exit Interview

The exit interview as used by eight out of ten firms in the United States can help to control attrition and be useful in identifying areas where changes need to be instituted (Lopez, 1975). Downs, Smeyak, and Martin (1980) identify two purposes of exit interviews: (1) to process the removal of the employee in an orderly way, and (2) to collect information relative to the employees reasons for leaving which later can serve as a means of "organizational diagnosis." So, the exit interview is both an administrative and fact-finding endeavor.

Administratively, persons leaving need to be informed about severance pay, insurance, pensions, vacation pay, personal references, and other topics. If all necessary records are assembled at the outset of the interview this administrative function can be handled swiftly and easily.

The information-gather function of the exit interview is considerably more difficult. Most people who are leaving one job for another tend to keep their real reasons to themselves. Lefkowitz and Katz (1969) compared the results of exit interviews among individuals who had terminated in a factory environment with results of a questionnaire mailed to them subsequently. They found only moderate correlations existing between the reasons for leaving as recorded during the exit interview and as reported on the questionnaire. Exit interviews most frequently cite higher earnings as the reason for leaving than conflict with management, dissatisfaction with advancement or dissatisfaction with the content of the job. McNaughton (1956) observes that there is a big difference between the reason for leaving a company that an employee will give at the time of departure and a year later. Black (1970) claims that less than one out of four times can an interviewer get a complete and factual statement from an employee regarding reasons for terminating.

Numerous discrepancies have been found between reasons for termination offered by employees during exit interviews and reasons cited in a questionnaire

administered at a later date. The reasons accounting for this phenomena are varied. Perhaps, the employee has had an opportunity to re-evaluate and develop a clearer perspective on leaving. Or, the employee may be initially hesitant to present valid information at the time of the exit interview fearing a poor reference which might effect future employment. Lastly, they may simply want to avoid an involved face-to-face confrontation.

American Telephone and Telegraph Company supports information gained from exit interviews by conducting further investigations. In order to identify why employees are not satisfied with their jobs, a sample of current employees are interviewed whenever a management problem is suspected (Wilke, 1971). The ideas expressed in the interview are presented to management and in turn are shared with the groups on the job. William E. Luthle, Jr., personnel administrator for A.T. & T., claims that this method is more effective than just the exit interview.

David Jowett, head of recruitment for ESSO Petroleum, notes that in addition to conducting exit interviews, ESSO evaluates its recruiting procedures by mailing questionnaires to college/university graduates who decline the opportunity to work with the company. This procedure has improved their college relations recruiting process as well as other aspects of management (Wilke, 1971).

Interviewer's Guide to the Exit Interview

Persuading an employee to tell the truth about why he or she is leaving is a difficult and complex task. But if you are perceptive, you can detect signs that may provide information which taken with data furnished by other exit interviews forms a story-telling pattern. From this a company can learn much about operational situations and make necessary changes which can improve circumstances and result in the retention of valuable subordinates. The following represent key factors in effective exit interviewing.

Prepare carefully. A key to successful exit interviewing is thorough preparation. The interviewer should previously review the employee's file and have it available during the interview. An examination of the file may offer clues as to why the employee is leaving and lead to suggested policy changes.

Put the employee at ease. The attitude of the interviewer as well as the location of the interview creates the climate of discussion. If the employee detects a lack of interest or senses that this is simply a routine matter, the response will be in kind and the answers will not be very informative. Moreover, the interviewer's voice must not sound threatening or hard, and the interviewer's speech must be free from sarcasm or prejudice. Finally, the interview must be conducted in a quiet and private location. The employee needs to be assured of confidentiality if the exit interview is to produce results.

Seek information. Do not ask questions which can be answered with a "yes" or "no," but rather employ an open ended questioning technique. The comments, opinions, and suggestions provided by a terminating employee can be helpful in assessing policies/procedures and in implementing changes. They are familiar with the department and understand the attitudes of employees working in it, consequently their experience can be profitable.

Use tact. If the employee avoids answering a specific question or is reluctant to discuss a subject drop it. The employee is under no obligation to give information and persistence could place the employee on edge. However, some employees will be highly verbal and might be particularly hostile toward particular individuals. Do not become involved in their personal diatribe. Remember, the retention of goodwill is one purpose of the exit interview.

Be honest. Do not attempt to trick or mislead the employee. For example, the sharing of confidences should be avoided. Also, a terminating employee should be

advised as to what kind of reference he or she can expect.

Conclude the interview. When it is obvious that the interview is over and all willingly provided information has been supplied, work toward a mutually satisfying close. Wish the employee well and say good-bye.

Complete the Exit Interview Report. As quickly as possible following the interview write down the reasons given for leaving, information given on how operations could be improved, and personal "impressions" of the discussion. This assures a more accurate record of the proceedings. Figure 1 is representative of Exit Interview Reports used in business and industry.

These guidelines or procedures can result in a more effective exit interview. However, even when carefully observed, employees may prefer to give "safe" rather than "real" reasons for their leaving. The traditional exit interview format utilizing mutual dialogue cannot always bridge this barrier.

An Alternative Exit Interview Procedure

Martin Hilb (1978), of Schering-Plough International, introduces an interesting alternative exit interview procedure. It includes built-in control mechanisms that make it more accurate than the typical exit interview which consists of: (1) meeting with the terminating employee, (2) asking certain selected questions, and (3) completing a written exit interview report. "The Standardized Exit Interview" presented by Hilb is characterized by: (1) the standardized interview situation, (2) the "image cards" as an aid in managing the interview, and (3) the "profile" method for evaluating the results and for controlling the success of personnel predictors.

This procedure employs standardized techniques and guidelines such as those previously discussed. However, by utilizing a "special incident technique" the

interviewer can direct questions which result in more specific responses. For example: "If you think back, what did you like most during the _____ years you stayed with us?" Then, "What was it you disliked during your time with us?" This makes the comparing of results easier while also improving validity, reliability, and efficiency.

Following the asking of standard questions, the departing employee is handed nineteen numbered cards each with an internal company "image" factor written on it (Figure 2). The exiting employee is asked to group the cards according to (1) those characteristics realized, (2) partially realized, and (3) not yet realized. The interviewer discusses with the employee the categorization of factors beginning with those "not yet realized" areas and progressing through to the "realized" areas. During the discussion the interviewer talks candidly with the employee about the particular arrangements of the cards. Suggestions as to how unsatisfactory situations might be improved are prompted.

As a control factor, some of the internal image items are an obvious part of the company. This aids in detecting whether a terminating employee is falsifying information. For example, if the company has particularly good fringe benefits and the employee ranks them negatively it is possible that either the employee is naive or falsifying information.

Annually, a "profile" of the arrangement of image factors can be made representing the final outcome of all exit interviews done in that year. These annual results can reveal the company's strengths and weaknesses, thus assisting managers in formalizing departmental objectives and making necessary changes. This profile method can depict company progress from year to year so that progress can be accurately assessed.

The "standardized interview" procedure offers a number of advantages. The interviewer can accumulate a good deal of feedback information which can be factor

analyzed, cross tabulated, and correlated. The image cards stimulate interest in the exit interview process and motivate terminating employees to reveal "real" rather than "safe" reasons for leaving. This method permits the interviewer to be more objective, so the exit interview becomes a less defensive communication situation. Finally, the interviewer is better able to evaluate and assess policies and procedures. In turn, necessary changes and innovations can be suggested and acted upon.

The "standardized interview" procedure has its shortcomings. It is a more time consuming process, occupying the activities of the personnel staff or private interviewers. Non-exempt employees can offer attitudinal comments but little in the way of operational suggestions, so it is essentially limited to management level employees who have elected to leave the company. Finally, it requires a considerable amount of sophistication on the part of the interviewer and interviewee to be effective. Still, it represents an alternative procedure with the possibility of overcoming the difficulties encountered when utilizing traditional exit interview techniques.

Summary

The exit interview has probably been the least reviewed or studied interview type despite its use. The selection interview is the most frequently discussed type. Books (Donaho and Meyer, 1976; Medley, 1978; Chapman, 1978; Downs, Smeyak, and Martin, 1980), articles (Eisenstadt, 1955; Hopper and Williams, 1973; Hopper, 1977; Zerda and Hopper, 1979; Hewson, 1980; Schustereit, 1980; Fader, 1981), and convention programs have been devoted to examining selection interviewing techniques. Even the appraisal interview has recently received considerable attention (Adams, 1981; Wells, 1982). The reasons are quite obvious: (1) college students are most interested in securing jobs, (2) all organizations

are involved in and concerned with effective recruiting, (3) evaluating and appraising employees is a regular ongoing activity, (4) Management By Objective (MBO) techniques have given direction to appraisal interviewing, and (5) information about selection or appraisal interviews is easier to obtain and structurally duplicate. In short, the exit interview is often overlooked because of its highly confidential nature and its difficulty to study and replicate. Consequently, there exists a poverty of information relative to the exit interview. Still, the hiring, retention, promotion and exiting process effects employees and influences organizational activity.

The intent of this paper has been to focus on the exit interview as a monitor for change. Besides serving an administrative function, the exit interview can provide valuable information. The acute interviewer, aware of the types of exit interviews, sensitive to the nature and function of the exit interview, and able to employ procedures suitable to the situation, can gain insight into organizational problems which can prompt necessary changes.

However, the paucity of information regarding the exit interview raises some research questions which we in speech communication are best suited to address since the exit interview is essentially a dyadic phenomenon. Is the exit interview organizationally specific or can it be uniformly employed? How can the trust and confidence of terminating employees be gained so that "real" rather than "safe" reasons for leaving are given? What verbal and nonverbal factors exhibited by the interviewer most significantly influence the terminating employee? What about the communication situation? Who should, is best suited to, conduct the exit interview? What techniques, methods, and procedures are most effective? Time efficient? How can instruction in exit interviewing be best implemented? These questions can not be easily answered, but the results can make the exit interview a more effective strategy for organizational change.

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FIGURE 1

The Exit Interview Report

Employee's Name _____ Termination Date _____
Job Title _____ Section/Dept. _____
Date of Hire _____ Length of Service _____ Pay Rate _____
Interviewer's Evaluation of Real Reason for Termination _____

Interviewer's
Name/Date _____

I. Immediate Superior's Remarks

Superior's Name	Job Title	Date
1. How long did employee work for you? _____		
2. Superior's Rating of Employee's _____		
A. Work Quality _____		
B. Work Quantity _____		
C. Recent Overall Job Performance _____		
D. Compatibility with Co-workers _____		
E. Understanding of Company Rules, Policies, Procedures _____		

F. Adaptability to Supervision _____		
G. Strongest Points _____		
H. Weakest Points _____		
3. What problems did you have with employee? _____		

4. Why is employee terminating? _____		

II. Employee's Remarks

1. Did you get along with the other employees? _____

2. Do you feel you got the proper training? _____

3. How fully was your job(s) here explained to you? _____

4. Who is your boss? _____ How do you feel about her/him?

5. In your opinion, how well does your boss know his/her job? _____

6. What about your boss' handling of gripes, complaints, suggestions from you and others? _____

7. What troubles did you have with him/her? _____

8. How do you feel about your pay here? _____
9. How do you feel about our employee program of benefits? _____

10. If you could tell the President of the company exactly how you feel about the way the company is run, what would you tell him? _____

11. What have you liked about your job here? _____

What have you disliked? _____

12. Why are you leaving? _____

FIGURE 2

The Standardized Exit Interview: Image Factors

1. Good external image of the company
2. Job security
3. Good social benefits
4. Good relationship with colleagues
5. Good relationship with supervisor
6. Interesting independent job
7. Fair working hours
8. Interesting internal and external training possibilities
9. Fair salary
10. Fair performance review
11. Good coffee and meal allowances
12. Attractive office space and equipment
13. Good, clear departmental organization
14. Clear, cooperative objectives
15. Good career possibilities
16. A real possibility to discuss and influence working climate
17. Cost consciousness (no waste of money)
18. Sufficient information on company activities
19. Good utilization of personnel